

Thomas-Jensen

Affirmation

Exhibit # 22

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

STATE OF NEW YORK; et al.,

Plaintiffs,

v.

DONALD TRUMP, in his official capacity as President of the United States; et al.,

Defendants.

C.A. No. 1:25-cv-00039-JJM-PAS

DECLARATION OF JOHN F. SCOTT II

I, John F. Scott II, declare as follows:

1. I am a resident of the State of Arizona. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am the Director of the Arizona Department of Veterans' Services ("ADVS") and I have held this position since August 2024. I have been employed by ADVS for ten years and have held several other positions, including Commissioner, Assistant Deputy Director, and Deputy Director.

3. I have a Bachelor's Degree in Psychology from the University of California: Los Angeles and a Master's in Social Work from California State University: Long Beach.

4. I have compiled the information in the statements set forth below through personal knowledge, through ADVS personnel who have assisted me in gathering this information from our agency, and on the basis of documents that have been provided to and/or reviewed by me.

5. ADVS works to ensure that the 460,000 veterans in Arizona and their families receive the benefits they are rightfully owed. Nearly all programs that ADVS provides are benefit-driven programs that are funded through federal grant awards or federal contracts.

6. ADVS receives and relies on nearly \$44,000,000 in federal funds per year to provide extensive services to Arizona veterans and their families, including:

- a. Operating skilled nursing facilities through the State;
- b. Promoting and safeguarding quality education and training programs for all veterans and eligible persons;
- c. Ensuring greater education and training opportunities that meet the changing needs of veterans;
- d. Protecting the GI Bill resources owed to Arizona veterans;
- e. Maintaining and managing the Arizona State Veterans' Cemeteries; and
- f. Providing suicide prevention services and treatment.

Skilled Nursing Facilities

7. ADVS operates skilled nursing facilities in Yuma, Flagstaff, Tucson, and Phoenix, Arizona which care for 240 Arizona veterans.

8. ADVS relies on nearly \$44,000,000 per year from the United States Department of Veterans Affairs ("VA") to operate its skilled nursing facilities.

9. Federal contracts fund up to 612 skilled positions at this skilled nursing facilities, including 299 current staff members, as well as linens, food, medication, medical providers, nursing staff, psychologists, and psychiatrists and other necessary operational expenses.

10. Of the approximately \$44 million in federal funds anticipated in State Fiscal Year 2025, ADVS has expects to bill VA for an additional \$22,700,470.00

11. ADVS derives per diem payments from the VA for every resident that occupies a bed in the skilled nursing facilities. Billing is completed the first week of every month.

Suicide Prevention Services

12. ADVS receives more than \$750,000 in federal funds from the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program (“SSG Fox SPGP”).

13. ADVS uses these funds to employ 6 contracted full-time staff and a .5 FTE employee to engage with at least forty Arizona veterans per month to conduct mental health evaluation and determine whether the veterans are suffering from suicidal ideation and direct the veterans to appropriate treatment.

14. Of the approximately \$750,000 in SSG Fox SPGP funds anticipated in State Fiscal Year 2025, ADVS has \$615,940.86 (82%) of funding that has not yet been billed for.

15. ADVS bills for SSG Fox SPGP on a monthly basis, typically the first week of the month after the month that relevant services were provided.

16. ADVS lacks sufficient funds to maintain its Suicide Prevention Program without the SSG Fox SPGP grants.

17. If SSG Fox SPGP funding is paused, dozens of Arizona veterans will go without this life-saving treatment, causing life-threatening and potentially irreparable harm to these individuals.

Education Services

18. As a State Approving Agency (“SAA”), ADVS receives more than \$482,042.00 as part of a cooperative agreement with the VA.

19. ADVS uses these funds to ensure that Arizona community colleges, colleges, universities, trade schools, and other educational institutions are accepting veterans under the GI

Bill and abiding by applicable state and federal laws associated therewith. In particular, ADVS uses its SAA funds to employ four full-time staff members who audit Arizona institutions to ensure compliance with cooperative agreements.

20. Of the approximately \$482,042.00 in SAA funds anticipated in State Fiscal Year 2025, ADVS has identified \$351,148.53 (72.8%) that has yet to be billed.

21. ADVS draws SAA funds from the federal Payment Management System (“PMS”) on monthly basis, with a monthly average draw of \$49,099.25.

22. In 2023, there were almost 42,000 veterans using their GI Bill benefits to pursue higher education and skilled trades at Arizona institutions.

23. ADVS will be unable to pay its auditing employees without the SAA funds.

24. If SAA funding is paused, tens of thousands of Arizona veterans will lose access to the safeguard that the SAA provides, putting their educational benefits at risk.

Funding Disruptions

25. ADVS was unable to access PMS the evening of January 27, 2025 and confirmed that as of 7:14AM on January 29, 2025 access had been restored. During that timeframe, ADVS was unable to submit any reimbursement requests.

26. While loss of access during this time ultimately posed no immediate financial threat to ADVS, a subsequent loss of access, especially during the ADVS’s normal billing cycles, would pose an imminent danger to insuring our staff and vendors are paid.

27. ADVS expects to submit its next draw requests for its skilled nursing facilities on February 6, 2025, which covers the total census for the month of January 2025. ADVS expects to bill for the SAA and SSG Fox SPGP grants no later than February 7, 2025.

Communications Regarding Federal Funding

28. There have been no direct communications from the VA to ADVS regarding the Office of Management and Budget's January 27, 2025 memorandum M-25-13 titled: "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs" ("OMB Memo"). I understand that the OMB Memo directed federal agencies to "pause" the "obligation or disbursement of all Federal financial assistance" effective January 28, 2025 at 5:00 pm.

29. Late in the day on January 28, 2025, ADVS learned via a news release (issued at 7:42 pm on January 28, 2025) from then-Acting VA Secretary Todd Hunter that the funding pause would "have no impact on VA health care, benefits or beneficiaries [.]". ADVS received this information via email from a representative of the National Association of State Directors of Veterans Affairs, not from the VA directly.

30. As of the date of this Declaration, ADVS has not received notice from the VA regarding the Temporary Restraining Order issued in the above-captioned matter on January 31, 2025.

Ongoing Risk of Harm

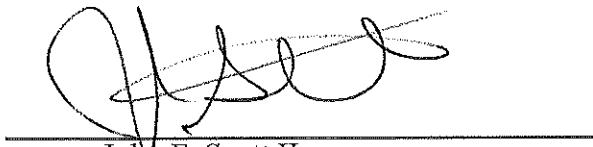
31. ADVS's budget for State Fiscal Year 2025 relies on the receipt of funds from the United States Department of Veterans Affairs.

32. ADVS lacks sufficient funds to cover all of its the daily operating costs for the four skilled nursing facilities it operates. In particular, ADVS lacks sufficient cash-on-hand to pay all of the vendors who typically provide essential services at ADVS skilled nursing facilities. Even a temporary delay to funding could render ADVS unable to cover the costs to administer these programs.

33. If the federal funding is again paused, blocked, denied or delayed suddenly:
 - a. ADVS will struggle to pay for contracted vendors based on our current budget balance. Subsequent months of nonpayment will create critical shortfalls which would render ADVS unable to pay for critical care such as doctors, psychologists, psychiatrists, dietary, housekeeping, linen services and medication. ADVS would not be able to ensure that utilities remained on. This will cut off care to the 240 Arizona veterans housed in those facilities, and will cause ADVS to incur significant costs to relocate those veterans to other facilities for purposes of continuity of care.
 - b. ADVS may also lose its Phoenix skilled nursing facility all together. The Phoenix facility sits on grounds deeded to them by the Department of Veterans Affairs contingent upon ADVS providing skilled nursing in the facility on those grounds. If those activities cease to occur, the land is reverted to VA, causing irreparable harm to ADVS and the Phoenix-based veterans it serves.
 - c. ADVS would have to prioritize relocating its veterans to facilities contracted with the United States Department of Veterans Affairs to ensure that the veteran is able to cover the costs of their care. If no appropriate skilled nursing facility is available to accept the 240 Arizona veterans, ADVS must continue to either provide skilled nursing services without any dedicated funding stream to pay for those services or potentially find other options such as discharging the veteran to family.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 05, 2025, in Phoenix, Arizona.



John F. Scott II
Director, Department of Veterans' Services
State of Arizona